

REMARKS

SUMMARY

Claims 2-6, 8, and 10 are pending. Claims 1, 7 and 9 have been canceled without prejudice. Claim 1 has been rejected under 35 U.S.C. § 112 as allegedly indefinite. Claims 1 and 3 have been rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over Gray et al., U.S. Patent No. 7,366,703 (“Gray”), further in view of the EMV '96 Chip Electronic Commerce Specification, version 1.0 (“EMV96”). Claims 2, 4-6, 8, and 10 have been rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over *Gray* and *EMV96*, further in view of Chen, U.S. Patent No. 5,590,197 (“Chen”).

APPLICANT’S RESPONSE

In this Response, Applicant presents arguments concerning the patentability of claims 2-6, 8, and 10 to address the Examiner’s rejections. Applicant’s silence with regard to any aspect of the Examiner’s rejections of the dependent claims is due to Applicant’s contention that the rejections are moot based on Applicants’ remarks relative to the independent claim from which the dependent claims depend.

Applicant has amended claims 2, 3, 6, and 8 to better clarify the claimed subject matter. No new matter is introduced by virtue of these amendments. Support for the amendments can be found throughout the patent specification, for example, in Paragraph [0029].

35 U.S.C. § 112 REJECTIONS

Claim 1 has been canceled without prejudice. Therefore, Applicant requests withdrawal of the rejection thereto.

35 U.S.C. § 103 REJECTIONS

The Office Action alleges that *Gray* teaches “receiving a request at the remote wallet server from the consumer computer for conducting a payment function with the merchant computer” and “in response to the request, conducting the payment transaction by the remote wallet server with the merchant computer.” The Office Action concedes that *Gray* does not teach that the transaction between the wallet server and the merchant computer is conducted in a format compliant with a chip card electronic commerce protocol or specification. The Office Action asserts that EMV96 teaches this feature. Applicants respectfully disagree.

The Office Action incorrectly assumes that because *EMV96* allegedly teaches conducting transactions in a format according to a chip card electronic commerce protocol or specification (“Chip Card Protocol”), that *Gray* and *EMV96* together teach conducting a *payment transaction* according to a Chip Card Protocol *by a wallet server* on behalf of a customer. Amended claim 2 recites, *inter alia*:

A method for conducting a payment transaction over a computer network between a consumer and a merchant involving a payment card issued by an issuer institution to the consumer, wherein the computer network includes at least three computers connected thereto, a consumer computer operated by or on behalf of the consumer, a merchant computer operated by or on behalf of the merchant, and a wallet server at a location remote from said consumer that provides functionality for the consumer computer to conduct transactions over the computer network, and wherein the payment card is in a form of either a chip card or a non-chip card, the method comprising:

receiving a request at the remote wallet server from the consumer computer for conducting a payment function with the merchant computer;

in response to the request, conducting the payment transaction by the remote wallet server with the merchant computer in a format compliant with a chip card electronic commerce protocol or specification.

One of ordinary skill would not understand *EMV96* to teach or suggest mediating transactions (e.g., a function of a wallet server). Even assuming that *EMV96* teaches a Chip Card Protocol, the EMV96 protocol allows for transactions directly between a chip card and a

merchant, not between an intermediary wallet server and the merchant on behalf of a customer.

The Examiner states that EMV96 concerns transactions between a *payment source* and a payment receiving system. Office Action, p. 6 (“The specification defines a protocol for conducting a transaction between a *payment source* and a payment receiving system.” (emphasis added)). The claimed invention, however, involves a wallet server at a location remote from the consumer, which is a payment intermediary, not a payment source. It facilitates payment transactions on behalf of a consumer rather than initiating payment transactions.

As EMV96 makes clear, the transactions contemplated by the specification occur between a payment source and the merchant, not from an intermediary on behalf of the consumer and the merchant. The Cardholder System in *EMV96* is the entity which directly interfaces with the integrated chip card. EMV96, Table 3, p.10. The “Cardholder System [s]erves as the interface between the EMV IC Card and the SET merchant server. It is responsible for authenticating the merchant to the cardholder.” *Id.* p.2. The Cardholder System is at the location of the Cardholder (i.e. the consumer). Nothing in *EMV96*, suggests that the Cardholder System interfaces with an intermediary or that the Cardholder System itself is an intermediary. Therefore, according to the Office Action and the *EMV96* specification, *EMV96* describes only direct communications between a consumer and a merchant. Nothing in EMV96, therefore, discloses or suggests a wallet server at a remote location.

Applicant respectfully traverses the Office Action’s conclusion that one of ordinary skill in the art would understand it to be obvious to apply card-present payment techniques from consumer to merchant using a chip-card reader found in the *EMV96* specification to the mediated e-commerce transaction techniques of wallet servers. The Office Action fails to appreciate the additional, non-trivial problems that occur when conducting chip card transactions with a merchant on behalf of a consumer or other entity over the internet, for example, authenticating

the intermediary in view of large numbers of consumers served by the intermediary (specification Paras. [0009]-[0010]) and management and security of potentially large numbers of keys and/or certificates (specification Para. [0011]). Nowhere does *Gray* or *EMV96* include teachings that would lead one of ordinary skill in the art to solve these non-trivial problems which are using the claimed techniques.

Accordingly, one of ordinary skill in the art would not understand *Gray* or *EMV96*, either taken alone or in combination, to teach or suggest the intermediated features of claim 2. Applicants request withdrawal of the rejection thereto.

Amended claims 3, 6, and 8 includes similar features as claim 2.

Amended claim 3 recites, *inter alia*, “means for conducting a payment function between the remote wallet server and the merchant computer in response to a request for such a function by the consumer computer wherein the payment transaction is conducted in a format compliant with a chip card electronic commerce protocol or specification.”

Amended claim 6 recites, *inter alia*, “sending payment-related information and the cryptogram by the remote wallet server to the merchant computer in response to the request by the consumer computer, wherein the payment-related information and the cryptogram are transmitted in a format compliant with a chip card electronic commerce protocol or specification.”

Amended claim 8 recites, *inter alia*, “application code stored in the memory unit for sending payment-related information and the cryptogram to the merchant computer in response to a request by the consumer computer to conduct a payment function with the merchant computer wherein the application code includes means for transmitting the payment-related information and the cryptogram in a format compliant with a chip card electronic commerce protocol or specification.”

Applicant submits that nothing in *Gray* or *EMV96*, either taken alone or in combination, teaches or suggests the subject matter of amended claims 3, 6, or 8 for at least the same reasons as amended claim 2. Accordingly, Applicant requests withdrawal of the rejection to claims 3, 6, 8 and at least because of their dependence from their respective independent claims, dependent claims 4-5, 7, and 10.

CONCLUSION

Applicant respectfully submits that this application is now in condition for allowance.
Reconsideration and prompt allowance of which are respectfully requested.

The Examiner is invited to contact the undersigned at (212) 408-2517 if any additional information or assistance is required.

Applicant believes that no additional fee is due in connection with the filing of this response. If any additional fee is due, or overpayment made, with regard to this response, Applicant authorizes the Director to charge any such fee, and credit any overpayment, to Deposit Account No. 02-4377.

Respectfully submitted,

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